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ICE HQ FOR STRATEGIC INVESTIGATIONS  
STATE FOR EB/ESP

E.O. 12958: N/A

TAGS: [ETTC](#) [ETRD](#) [BEXP](#) [IN](#)

SUBJECT: EXTRANCHECK: POST-SHIPMENT VERIFICATION: NATIONAL  
INFORMATICS CENTRE SERVICES, NEW DELHI, LICENSE NO. D365443

REF: USDOC 02901

1. Unauthorized disclosure of the information provided below is prohibited by Section 12(c) of the Export Administration Act.

2. Former Export Control Officer (ECO) Michael Rufe (Rufe) and BIS FSN Prem Narayan conducted a Post-shipment Verification (PSV) at the National Informatics Centre Services, Inc. (NICSI), New Delhi, on April 24, 2007.

3. BIS requested a PSV at NICSI, a National Informatics Centre (NIC) company under Ministry of Communications and Information Technology (MCIT), located at Hall No. 6, NBCC Towers, 15 Bhikaji Cama Place, New Delhi 110001, Tel: 91-11-2436-4874, Fax: 91-11-2436-4873, Email: hmr@nic.in, Website: www.nicsi.com. NICSI was listed as the Ultimate Consignee for hardware and encryption software items controlled under ECCNs 5A002, 5A991 and 5D002. The license applicant was Cisco Systems, Inc. (Cisco), San Jose, CA.

4. ECO along with FSN Narayan met with H. Madhav Reddy (Reddy), Senior Technical Director and Vinod Patni (Patni), Territory Account Manager, Cisco. Prashant Agrawal (Agrawal), Under Secretary (AMS), Ministry of External Affairs (MEA), facilitated the meeting. Agrawal was also present at the meeting.

5. NICSI officials were aware of certain BIS regulations. This was the first USG or BIS official visit to NICSI. They were cooperative and forthcoming. They produced the shipment documentation for Rufe and Narayan to view. The file contained the NIC Supply order to NICSI and internal correspondence between NIC and NICSI with regard to procurement of Cisco hardware and encryption software items. Patni, the Cisco representative based at NICSI, electronically forwarded a spreadsheet containing details of items supplied against the NICSI Purchase Order and Cisco Invoice including the ultimate end-user. Patni also faxed copies of the NICSI Purchase Order to Cisco, and Cisco Invoice. Also, Patni provided a copy of Cisco questionnaire which was completed by NICSI concerning the BIS export license compliance on which NICSI declared the intended end-use of technology as encryption for the data, video and voice digital signature, e-post, and email.

6. Reddy made a slide presentation on various activities undertaken and supported by NIC and NICSI including the end-use of hardware and encryption software items. He stated in order to achieve full e-governance, the GOI has directed all state governments and Union Territories (UT) to make everything virtually-available online such as passport application forms, birth/death registration, digital signature, etc. NIC, the primary GOI IT agency, is the host and a preferred choice of all Government organization websites.

17. Reddy stated there are approximately 607 districts in India and GOI, via NIC, has a mandate to connect them electronically for better e-governance. Reddy stated that they have been purchasing and using similar Cisco products since 1998 in order to provide cyber-security. The items covered under this license will be installed at NIC facility in Sikkim for State Wide Area Network (SWAN) project. The items from A to F listed in reftel are stored in NICSI warehouse and G to I has already been shipped to NIC Sikkim. Reddy stated that items stored in Delhi will be tested first at NICSI New Delhi before shipped to Sikkim. These will be used to provide a secure and reliable network infrastructure. The items covered under D365443 will be used to detect and prevent cyber attacks. Reddy stated that all listed items would strictly be handled by and under the control of NICSI personnel in Sikkim. He further stated that at least two NIC/NICSI personnel are stationed in each district. BIS Team was given a tour of the NICSI warehouse where the items purchased under this license were stored. The boxes were sealed with Commerce Department's Office of Export Enforcement (OEE) green tape indicating an inspection by OEE prior to shipment. BIS Team noted the serial numbers of two key items.

18. Established in 1995, NICSI is the commercial arm of NIC under the administrative control of the Information Technology Department of GOI's MCIT. NIC provides the network backbone and e-governance support to the Central Government, State Governments, UT Administrations, Districts and other Government bodies. NIC has so far hosted approximately 4,000 government websites. NICSI's primary objective is to develop and promote value-added computer and computer-communications services over the basic infrastructure and services developed by NIC. The products and services provided by NICSI include hardware, systems software, software development, intra-networking, wide area networking, videoconferencing, customized software, IT training, IT consultancy and IT implementation support. NIC/NICSI has a presence in all 28 Indian states and UTs.

19. Recommendation: All commodities covered under this license were not available for verification since a few items were dispatched to NIC Sikkim facility. Also, BIS team did not see Cisco products functioning; it cannot be determined whether the listed commodities will be used by the National Informatics Centre Services Inc. in accordance with BIS export license conditions. The PSV remains inconclusive. (PSCUSHMAN/MKRUFEPNARAYAN) Kaestner